

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-477-W – ORDER NO. 98-786
OCTOBER 9, 1998

IN RE:

Application of South Carolina
Electric & Gas Company for approval
of a Raw Water Supply Agreement
with Huron Tech Corp.

ORDER *✓ MR*

This matter comes before the Public Service Commission of South Carolina (“Commission”) by application filed by South Carolina Electric & Gas Company (“SCE&G” or “Company” or “Applicant”) on October 1, 1998. The application, among other things, seeks approval of a Raw Water Supply Agreement between South Carolina Electric & Gas Company and Huron Tech Corp. (“Contract”). The application is supported by an affidavit provided by Huron Tech Corp. (“Huron”) which is attached as Exhibit B.

FINDINGS OF FACT

From a careful and studied review of the application, Contract, and affidavit, the Commission makes the following findings of fact:

1. SCE&G is an electric utility providing electric power services to the general public in its service areas pursuant to the jurisdiction of the Commission.

2. The Company has three industrial water wells with associated pumps, valves, piping, controls and other equipment located at Wateree Station electric generating facility in Richland County. The Company has historically used, and continues to use, these industrial water wells for the purpose of providing raw water utilized by SCE&G in its internal operations at Wateree Station.
3. Huron plans to operate a sodium chlorate production plant which is under construction on property adjacent to Wateree Station. Huron desires to purchase raw water from SCE&G pursuant to all terms and provisions of the Contract. Likewise, SCE&G is willing to provide raw water to Huron pursuant to all terms and conditions of the Contract.
4. SCE&G does not seek authority to provide water service to any entity other than Huron. It does not seek approval of a defined service area, nor does it desire the right or responsibility to serve any customer other than Huron. Further, SCE&G reserves the right to refuse water service to any entity other than Huron.
5. Huron has accepted service of the application, and by its affidavit, supports the application and approval of the Contract by the Commission. Further, Huron waives notice, waives public hearing, and consents to expedited consideration of this matter.

6. SCE&G requests that the Commission waive any requirement that it comply with rules and regulations pertaining to water utilities in general. In support of this request, it notes, and the Commission so finds, (1) that the contract itself provides all necessary governing terms, standards, prices, conditions and other provisions applying to the provision of Raw Water Service; (2) the contract and parties are sophisticated, corporate entities; and (3) that SCE&G will maintain sufficient accounting books and records so that the cost and revenues associated with providing raw water supply under the Contract can be identified and distinguished from the cost and revenue sources of its electric operations; (4) that the provision of water supply under the Contract will not adversely impact in any manner its provision of electric service to its rate payers; and (5) that it will present unusual difficulty and unnecessary expense for SCE&G to comply with regulations imposed upon water utilities.

CONCLUSIONS OF LAW

Based upon the record in this case and the foregoing findings of fact, the Commission hereby reaches the following conclusions of law:

1. That the Commission has jurisdiction of the subject matter of this application pursuant to the provisions of Section 58-5-10, *et seq.*, of

the *Code of Laws of South Carolina* (1976, as amended). Notice and a public hearing have been specifically waived by Huron.

2. That the public interest will be adequately and sufficiently served by approving the Raw Water Supply Agreement between South Carolina Electric & Gas Company and Huron Tech Corp. as filed with the application.
3. Good and sufficient cause exists that SCE&G will experience unusual difficulty and unnecessary expense in complying with requirements imposed upon water utilities; therefore, pursuant to Rule 103-701(3) the Commission concludes that it should waive its rules and regulations applying to water utilities, namely Rules 103-701 through 103-782, inclusive.

IT IS THEREFORE ORDERED that the Raw Water Supply Agreement between South Carolina Electric & Gas Company and Huron Tech Corp. filed in this docket be, and the same hereby is, approved. Waiver of Notice and public hearing is granted.

IT IS FURTHERED ORDERED that, pursuant to Rule 103-701(3), the Commission waives any requirement that SCE&G comply with Commission Rules and Regulations generally applicable to water utilities, namely, Rules 103-701 through 103-782, inclusive.

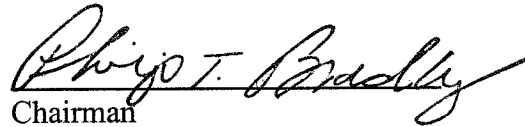
IT IS FURTHER ORDERED that this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

ATTEST:


Acting Executive Director

(SEAL)


Chairman